indigent. In order to qualify for these payments, a teaching hospital must first qualify for regular disproportionate share hospital payments based on the criteria contained in Section VI.A., above. For state fiscal year 2002-2003 forward, only hospitals that qualified as a statutory teaching hospital and received a payment under this Section in state fiscal year 2001-2002, shall qualify to receive payments in state fiscal year 2002-2003 forward.

2. On or before September 15 of each year, the Agency for Health Care Administration shall calculate an allocation fraction to be used for distributing funds to state statutory teaching hospitals. Subsequent to the end of each quarter of the state fiscal year, the agency shall distribute to each statutory teaching hospital, an amount determined by multiplying one-fourth of the funds appropriated for this purpose times such hospital's allocation fraction. The allocation fraction for each such hospital shall be determined by the sum of three primary factors, divided by three. The primary factors are:

a. The number of nationally accredited graduate medical education programs offered by the hospital, including programs accredited by the Accreditation Council for Graduate Medical Education and the combined Internal Medicine and Pediatrics programs acceptable to both the American Board of Internal Medicine and the American Board of Pediatrics at the beginning of the state fiscal year preceding the date on which the allocation fraction is calculated. The numerical value of this factor is the fraction that the hospital represents of the total number of programs, where the total is computed for all state statutory teaching hospitals;

b. The number of full-time equivalent trainees in the hospital, which comprises two components:

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(1)   The number of trainees enrolled in nationally accredited graduate medical education programs. Full time equivalents are computed using the fraction of the year during which each trainee is primarily assigned to the given institution, over the state fiscal year preceding the date on which the allocation fraction is calculated. The numerical value of this factor is the fraction that the hospital represents of the total number of full-time equivalent trainees enrolled in accredited graduate programs, where the total is computed for all state statutory teaching hospitals.

(2)   The number of medical students enrolled in accredited colleges of medicine and engaged in clinical activities, including required clinical clerkships and clinical electives. Full-time equivalents are computed using the fraction of the year during which each trainee is primarily assigned to the given institution, over the course of the state fiscal year preceding the date on which the allocation fraction is calculated. The numerical value of this factor is the fraction that the given hospital represents of the total number of full-time equivalent students enrolled in accredited colleges of medicine, where the total is computed for all state statutory teaching hospitals.

The primary factor for full-time equivalent trainees is computed as the sum of these two components, divided by two.

c.   A service index which comprises three components:

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(1) The Agency for Health Care Administration Service Index, computed by applying the standard Service Inventory Scores established by the Agency for Health Care Administration to services offered by the given hospital, as reported on the Agency for Health Care Administration Worksheet A-2, located in the Budget Review Section of the Division of Health Policy and Cost Control for the last fiscal year reported to the agency before the date on which the allocation fraction is calculated. The numerical value of this factor is the fraction that the given hospital represents of the total Agency for Health Care Service Index values where the total is computed for all state statutory teaching hospitals;

(2) Volume-weighted service index, computed by applying the standard Service Inventory Scores established by AHCA under Rule 59E-5.503 F.A.C., to the volume of each service, expressed in terms of the standard units of measure reported on the Agency for Health Care Administration Worksheet A-2 for the last fiscal year reported to the agency before the date on which the allocation factor is calculated. The numerical value of this factor is the fraction that the given hospital represents of the total volume-weighted service index values, where the total is computed for all state statutory teaching hospitals;

(3) Total Medicaid payments to each hospital for direct inpatient and outpatient services during the fiscal year preceding the date on which the allocation factor is calculated. This includes payments made to each hospital for such services by Medicaid prepaid health plans, whether the plan was administered by the hospital or not. The numerical value of this factor is the fraction that each hospital

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represents of the total of such Medicaid payments, where the total is computed for all statutory teaching hospitals.

3. The following formula shall be utilized by the department to calculate the maximum additional disproportionate share payment for statutorily defined teaching hospitals:

TAP = THAF x A

Where:

TAP = total additional payment.

THAF = teaching hospital allocation factor.

A = amount appropriated for a teaching hospital disproportionate share program. (as found in Appendix B)

D. Mental Health Disproportionate Share Payments

The following formula shall be used by the agency to calculate the total amount earned for hospitals that participate in the mental health disproportionate share program:

$$TAP = \left(\frac{DSH}{TDSH}\right) \times TA$$

Where:

TAP = total additional payment for a mental health hospital

DSH = total amount earned by a mental health hospital under s. 409.911

TDSH = sum of total amount earned by each hospital that participates in the mental health hospital disproportionate share program

TA = total appropriation for the mental health disproportionate share program. (as found in Appendix B)

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In order to receive payments under this section, a hospital must participate in the Florida Title XIX program and must:

a.   Agree to serve all individuals referred by the agency who require inpatient psychiatric services, regardless of ability to pay.

b.   Be certified or certifiable to be a provider of Title XVIII services.

c.   Receive all of its inpatient clients from admissions governed by the Baker Act as specified in chapter 394.

E.   Determination of Rural Hospital Disproportionate Share/financial assistance program. In order to receive payments under this section, a hospital must be a rural hospital as defined in s. 395.602, Florida Statutes, and must meet the following additional requirements:

a.   Agree to conform to all agency requirements to ensure high quality in the provision of services, including criteria adopted by agency rule concerning staffing ratios, medical records, standards of care, equipment, space, and such other standards and criteria as the agency deems appropriate as specified by rule.

b.   Agree to accept all patients, regardless of ability to pay, on a functional space-available basis.

c.   Agree to provide backup and referral services to the county public health units and other low-income providers within the hospital's service area, including the development of written agreements between these organizations and the hospital.

d.   For any hospital owned by a county government that is leased to a management company, agree to submit on a quarterly basis a report to the agency, in a format specified by the agency, which provides a specific accounting of how all funds dispersed under this act are spent.

(1)   The following formula shall be used by the agency to calculate the total

amount earned for hospitals that participate in the rural hospital

disproportionate share program or the financial assistance program:

$$TAERH = (CCD + MDD)/TPD$$

Where:

CCD = total charity care-other, plus charity care-Hill Burton, minus 50 percent of

unrestricted tax revenue from local governments, and restricted funds for

indigent care, divided by gross revenue per adjusted patient day; however,

if CCD is less than zero, then zero shall be used for CCD

MDD = Medicaid inpatient days plus Medicaid HMO inpatient days.

TPD = total inpatient days.

TAERH = total amount earned by each rural hospital

In computing the total amount earned by each rural hospital, the agency must use

the average of the three (3) most recent years of actual data reported in

accordance with s.408.061(4)(a), Florida Statutes. The agency shall provide a

preliminary estimate of the payments under the rural disproportionate share and

financial assistance programs to the rural hospitals by August 31 of each state

fiscal year for review. Each rural hospital shall have 30 days to review the

preliminary estimates of payments and report any errors to the agency. The

agency shall make any corrections deemed necessary and compute the rural

disproportionate share and financial assistance program payments.

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(a)   In determining the payment amount for each rural hospital under this section, the agency shall first allocate all available state funds by the following formula:

$$DAER = (TAERH \times TARH)/STAERH$$

Where:

DAER = distribution amount for each rural hospital.

STAERH = sum of total amount earned by each rural hospital.

TAERH = total amount earned by each rural hospital.

TARH = total amount appropriated or distributed under this section. (as found in Appendix B)

Federal matching funds for the disproportionate share program shall then be calculated for those hospitals that qualify for disproportionate share payments under this section.

(b)   For state fiscal year 1996-97 and subsequent years, the following steps shall be used to determine the rural disproportionate share payment amount for each hospital.

(1)   The agency shall first determine a preliminary payment amount for each rural hospital by allocating all available state funds using the following formula.

$$PDAER = (TAERH \times TARH)/STAERH$$

Where:

PDAER = preliminary distribution amount for each rural hospital.

TAERH = total amount earned by each rural hospital.

TARH = total amount appropriated or distributed under this section.

STAERH = sum of total amount earned by each rural hospital.

(2)   Federal matching funds for the disproportionate share program

shall then be calculated for those hospitals that qualify for

disproportionate share in section (E)(1) above.

(3)   The state funds only payment amount is then calculated for each

hospital using the formula:

$$SFOER = \text{Maximum value of } (1)SFOL - PDAER \text{ or } (2) \ 0$$

Where:

SFOER = state funds only payment amount for each rural hospital

SFOL = state funds only payment level, which is set at 4% of TARH.

(4)   The adjusted total amount allocated to the rural disproportionate

share program shall then be calculated using the following

formula:

$$ATARH = (TARH - SSFOER)$$

Where:

ATARH = adjusted total amount appropriated or distributed under this section (as

found in Appendix B)

SSFOER = Sum of the state funds only payment amount (E)(3) for all rural

hospitals.

(5)   The determination of the amount of rural DSH funds is calculated

by the following formula:

$$TDAERH = ((TAERH \times ATARH)/STAERH)$$

Where:

TDAERH = total distribution amount for each rural hospital.

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(6)   Federal matching funds for the disproportionate share program shall then be calculated for those hospitals that qualify for disproportionate share in section (E)(5) above.

(7)   State funds only payment amounts (E)(3) are then added to the results of (E)(6) to determine the total distribution amount for each rural hospital.

$$TDAERH = (TDAERH + SFOER)$$

F.   Determination of Disproportionate Share Payments for Specialty Hospitals

1.   The following formula shall be used by the agency to calculate the total amount available for hospitals that participate in the specialty hospital disproportionate share program:

$$TAE = (MD/TMD) \times TA$$

Where:

TAE=total amount earned by a specialty hospital.

TA=total appropriation for payments to hospitals that qualify under this program. (as found in Appendix B)

MD=total Medicaid days for each qualifying hospital.

TMD=total Medicaid days for all hospitals that qualify under this program.

2.   In order to receive payments under this section, a hospital must be licensed

in accordance with part I of chapter 395, participate in the Florida Title XIX program, and meet the following requirements:

a.   Be certified or certifiable to be a provider of Title XVIII services.

b.   Receive all of its inpatient clients through referrals or admissions from county public health departments, as defined in chapter 154.

c.   Require a diagnosis for the control of a communicable disease for
all admissions for inpatient treatment.

G.   Determination of Primary Care Disproportionate Share Payments

1.   Disproportionate Share Hospitals that qualify under VI.A. above

for regular disproportionate share hospital payments and meet

all of the following requirements shall qualify for payments under

the primary care disproportionate share program. For state fiscal year

2002-2003 and 2003-2004 forward, hospitals that qualified and

received a payment under this Section will qualify to

receive a payment.

a.   Agree to cooperate with a Medicaid prepaid health plan,

if one exists in the community.

b.   Agree to ensure the availability of primary and

specialty care physicians to Medicaid recipients

who are not enrolled in a prepaid capitated arrangement

and who are in need of access to such physicians.

c.   Agree to coordinate and provide primary care services

free of charge, except copayments, to all persons with

incomes up to 100 percent of the federal poverty level, and

to provide such services based on a sliding fee scale to

all persons with incomes up to 200 percent of the federal

poverty level, except that eligibility may be limited to

persons who reside within a more limited area, as agreed